

COMMONWEALTH OF KENTUCKY
BEFORE THE ENERGY REGULATORY COMMISSION

IN THE MATTER OF THE APPLICATION OF)
KENTUCKY UTILITIES COMPANY FOR AN)
ORDER AUTHORIZING THE ISSUE OF) Case No. 7995
SECURITIES)

SUPPLEMENTAL ORDER

On November 10, 1980, the Commission entered its Order herein authorizing Kentucky Utilities Company ("Applicant") (a) to execute and deliver a loan agreement (the "Agreement") with Bankers Trust Company, New York, New York, and Continental Illinois National Bank and Trust Company of Chicago, Chicago, Illinois (the "Banks"), in substantially the form submitted with the Application in this matter, and (b) to issue and deliver its unsecured notes to evidence borrowings to be made by Applicant pursuant to the Agreement, such borrowings not to exceed the principal amount of \$60,000,000. The Order and the Application filed in this matter contemplate that borrowings under the Agreement would be divided equally between a Domestic Loan ("Domestic Loan") and a Eurodollar Loan ("Eurodollar Loan"), subject to the provisions of the Agreement providing for conversion of the Eurodollar Loan into a Domestic Loan.

On November 10, 1980, Applicant filed its verified Supplemental Application stating that it would be in Applicant's best interests if all borrowings under the Agreement would initially be in the nature of a Domestic Loan, rather than a loan divided equally between a Domestic Loan and a Eurodollar Loan; and that, as contemplated by the Agreement, the Company and the Banks will agree that all borrowings may be in the nature of a Domestic Loan. The Supplemental Application also states that the substantive provisions of the Agreement relating to interest rates and principal repayment terms with respect to borrowings made under the Agreement will not be revised in any material respect, and that no change will be made in the application of the proceeds of the borrowings.

The Commission, after consideration of the Application, the Supplemental Application and the record and being advised, is of the opinion and finds that the issuance of the notes by Applicant, as described in the Application and the Supplemental Application, is for lawful objects within the corporate purposes of the utility, is necessary and appropriate for and consistent with the proper performance by the utility of its service to the public and will not impair its ability to perform that service, and is reasonably necessary and appropriate for such purposes.

IT IS THEREFORE ORDERED, that the Commission's Order dated November 10, 1980, is amended to reflect that all borrowings under the Agreement may be in the form of a Domestic Loan and may be made on any date on or prior to November 14, 1980; and, in particular, the first ordering paragraph of the Commission's Order is amended to read as follows:

"IT IS THEREFORE ORDERED, that Kentucky Utilities Company be and it hereby is authorized to execute and deliver the Agreement in substantially the form submitted with the Application and to issue and deliver its unsecured notes as contemplated by the Agreement, and as described in the Application and the Supplemental Application herein, to evidence borrowings to be made by Applicant on or prior to November 14, 1980, such borrowings not to exceed the principal amount of \$60,000,000; it being understood that such borrowings may be (a) in the form of a Domestic Loan and a Euro-dollar Loan, subject to the provisions of the Agreement providing for conversion of the Eurodollar Loan to a Domestic Loan or (b) in the form of a Domestic Loan only."

IT IS FURTHER ORDERED, that the proceeds from the loan authorized in the Order and herein shall be used only for the lawful purposes as set out in the Application.

Nothing contained herein shall be construed as a finding for value for any purpose or as a warranty on the part of the Commonwealth of Kentucky or any agency thereof as to the securities authorized in the Order and herein.

Done at Frankfort, Kentucky, this 11th day of November, 1980.

ENERGY REGULATORY COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Secretary